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Message to Nursing Home Administrators on Medicare Prescription Drug Coverage- The Sixth in the Series of MLN Matters Articles on the New Prescription Drug Coverage

Provider Types Affected

Skilled Nursing Facilities (SNFs) - This article contains important information for nursing home staff about the impact of the new prescription drug coverage on people who receive both Medicare and Medicaid.

Information for Nursing Home Administrators

The Centers for Medicare & Medicaid Services (CMS) released the following information via the Minimum Data Set (MDS) submission system's Welcome Page on July 6, 2005:

- Starting January 1, 2006, Medicare prescription drug coverage will be available to everyone with Medicare. Also starting January 1, 2006, state Medicaid programs will no longer provide drug coverage for people also covered by Medicare (also known as Full Benefit Dual Eligibles or FBDEs); instead, prescription drug coverage for people in this group will be provided by Medicare. Since two thirds of residents in nursing homes fall into this category, this Federal program will be critically important. State Medicaid coverage for **health care** coverage is not affected.
- All Medicaid beneficiaries who are eligible to receive benefits through both Medicare and Medicaid must enroll in a Medicare Prescription Drug Plan to get this coverage. They will receive information from Medicare and from the plans in their

Important Points to Remember

- On January 1, 2006, new prescription drug coverage will be available to your Medicare residents. It will cover brand name and generic drugs.
- Starting January 1, 2006, state Medicaid programs will no longer provide drug coverage for people also covered by Medicare.
- All Medicaid beneficiaries who are eligible to receive benefits through both Medicare and Medicaid must enroll in a Medicare Prescription Drug Plan to get continuous coverage of their prescription drug costs.
- If Medicaid beneficiaries who are eligible to receive benefits through both Medicare and Medicaid do not enroll in a Medicare Prescription Drug Plan by December 31, 2005, Medicare will enroll them in a plan automatically to make sure they do not miss a day of coverage.
- Medicaid beneficiaries who live in a nursing home will pay nothing out of their pocket for Medicare prescription drug coverage.
- If your Medicare patients ask you questions about the new coverage, you can refer them to 1-800-MEDICARE and to <http://www.medicare.gov> for additional information and assistance.

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

area this fall and they will need to choose and enroll in a plan that meets their needs. However, if they haven't joined a plan by December 31, 2005, Medicare will enroll them in a plan to make sure they don't miss a day of coverage. People in this group can switch to another plan at any time.

- The Centers for Medicare & Medicaid Services (CMS) will use the Minimum Data Set (MDS) distribution system to keep nursing home administrators informed about Medicare prescription drug coverage as it applies to nursing home residents.
- All Medicare prescription drug plans will provide at least a standard level of coverage to all enrollees. Coverage will be available through both Medicare "Prescription Drug Plans" (PDPs), and as part of Medicare Advantage Plans or other Medicare Health Plans (MA-PDs). All plans will be required to cover enrollees in all nursing homes in their regions. They will also be required to meet specific service and performance criteria to ensure safe prescription drug administration in the nursing home setting. While plans may offer different formularies (lists of covered drugs), CMS will require plans to cover a range of drugs in the most commonly prescribed classes to make sure that people with different medical conditions can get the treatment they need.

An "exceptions and appeals" process will be in place to ensure access to non-formulary drugs. The plans will arrange for medications to be packaged and made available to nursing homes through long-term care pharmacy providers. These will most likely include current pharmacy providers to nursing homes, as well as new organizations that are able to meet the CMS long-term care pharmacy standards. Nursing homes will be able to select from these pharmacy vendors to ensure that all of the residents have appropriate drug coverage.

- People who receive both Medicare and Medicaid and reside in a nursing home will receive continuous prescription drug coverage, with no premiums, no deductibles, and no co-payments.
- People with limited income and resources, who are **not** eligible for full Medicaid benefits, may qualify for extra help paying for Medicare prescription drug coverage. If they qualify, they will receive extra help to pay for premiums, deductibles, and co-payments. They **will** have to pay a copayment or coinsurance amount, depending on their income and resources.
- More information concerning Medicare prescription drug coverage as it applies to the long-term care population, and operational steps that will be necessary to ensure a seamless transition in 2006, will be forthcoming through the MDS distribution system. Additional information and resources are also available at <http://www.cms.hhs.gov> on the CMS website.

Additional Information

More information on provider education and outreach regarding Medicare prescription drug coverage can be found at http://www.cms.hhs.gov/MLNProducts/23_DrugCoverage.asp#TopOfPage on the CMS website.

Detailed drug coverage information for CMS partners and advocates for people with Medicare can be found at <http://www.cms.hhs.gov/Partnerships/PDI/list.asp#TopOfPage> on the CMS website.

You can also find additional information regarding prescription drug plans at <http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/> on the CMS website.

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